

STATE OF CALIFORNIA

OFFICE OF REAL ESTATE APPRAISERS

TEXT OF PROPOSED CHANGES

UNDER THE REAL ESTATE APPRAISERS' LICENSING AND CERTIFICATION

LAW

PURSUANT TO NOTICE

DATE

1. ARTICLE 1. DEFINITIONS, Section 3500 is amended to read:

ARTICLE 1. DEFINITIONS

3500. Meaning of Words and General Definitions

(a) Words shall have their usual meaning unless the context or a definition clearly indicates a different meaning. Words used in their present tense include the future tense and words in the singular form include the plural form. Use of the word "shall" or "must" denotes mandatory conduct; "may" denotes permissive conduct; and "should" denotes recommended conduct.

(b) As used in these regulations, the following words and phrases shall have the following definitions:

(1) "Applicant" means a natural person who has made application to be a State Licensed Real Estate Appraiser, a State Certified Real Estate Appraiser, a Course

Provider or a person who has applied for a Trainee License, a Reciprocal License or a Temporary Practice Permit;

(2) "Appraisal Standards Board (ASB)" means the board of The Appraisal Foundation;

(3) "Appraisal Subcommittee (ASC)" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(4) "Appraiser" means an individual who holds a license issued by the Office of Real Estate Appraisers;

(5) "Appraiser Qualifications Board (AQB)" means the subcommittee of The Appraisal Foundation. The "Appraiser Qualifications Board" (AQB) is the board of The Appraisal Foundation which promulgates the minimum national requirements for licensure for licensed appraisers. The minimum national requirements includes the interpretations and clarification's of the appraiser qualifications criteria issued by AQB;

(6) "Course Provider" means a person or organization that has been approved by the Office of Real Estate Appraisers to provide educational courses within the parameters set forth herein.

~~(6)~~ (7) "Director" means the Director of OREA or his or her designee;

~~(7)~~ (8) "FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 and any amendments thereto;

~~(8)~~ (9) "Non-residential property" means all other property except one to four unit residential structures and land suitable for one to four unit residential use;

~~(9)~~ (10) "Office" means the Office of Real Estate Appraisers, and/or the Director;

~~(10)~~ (11) "OREA" means the Office of Real Estate Appraisers;

~~(11)~~ (12) "Residential property" means real property containing, and land suitable for, four or fewer residential units;

~~(12)~~ (13) "Uniform Standards of Professional Appraisal Practice (USPAP)" means those standards as adopted by the Appraisal Standards Board of The Appraisal Foundation.

NOTE: Authority cited, Sections 11310, 11313, 11314, 11316, 11350 and 11361, Business and Professions Code. Reference: Sections 10, 11302, 11310, 11360 and 11361, Business and Professions Code.

2. ARTICLE 2. GENERAL REQUIREMENTS, Section 3525 is amended to read:

ARTICLE 2. GENERAL REQUIREMENTS

3525. Temporary Practice Permit

(a) In lieu of obtaining a license, appraisers with currently valid unrestricted licenses issued by another state may be issued a Temporary Practice Permit to perform a single appraisal assignment.

(b) A Temporary Practice Permit is not required if an appraiser from another state associates with an appraiser licensed in California and the work is limited to assisting in

the preparation of an appraisal under the conditions specified in Business and Professions Code Section 11324.

(c) The applicant shall have satisfied the requirements for a license in a state or territory where the licensing provisions comply with Title XI of FIRREA and where the Appraisal Subcommittee has not issued a finding that the policies, practices or procedures of the state or territory are inconsistent with Title XI.

(d) The license held shall be current and in good standing with the issuing state or territory.

(e) A Temporary Practice Permit is required when any appraiser enters California to appraise or provide technical review services in a federally related transaction and the appraiser is not licensed in California.

(f) Application for a Temporary Practice Permit shall be made on Request for Temporary Practice Permit Form REA 3009 (Rev. 5/8/00) which is herein incorporated by reference, or any federally-approved equivalent form to the Office at its principal office in Sacramento, together with the fees specified in Section 3582 and such information as may be requested by the Director.

(g) An appraisal assignment under such temporary practice shall be completed within one year after issuance of the Temporary Practice Permit, or within the period of time that the applicant holds a valid, current license in his or her issuing state whichever is sooner. The term of the Temporary Practice Permit shall not be extended.

NOTE: Authority cited: Sections 11313, 11314, 11324, 11340, ~~and~~ 11350 and 11352, Business and Professions Code. Reference: Sections 11350 and 11351, Business and Professions Code.

3. Section 3527 is amended to read:

3527. Personal Information or Contact Change

(a) All applicants for and holders of a license, ~~or~~ temporary practice permit, or course provider approval shall submit written notice to OREA of any change to the following within 10 days on the Change Notification and Miscellaneous Requests REA Form 3011 (Rev. 5/8/00):

- (1) Name;
- (2) Residence telephone number;
- (3) Business telephone number;
- (4) Residence address;
- (5) Business name or address; or
- (6) Mailing address.

(b) The business name, address and telephone number shall be considered the applicant or licensee's address and telephone number of record for all purposes unless otherwise requested in writing by the applicant or licensee and shall be considered a matter of public record. If no business address is provided, the mailing address shall be the address of record.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code.

4. Section 3528 is amended to read:

3528. Minimum Requirements

All applicants for, and holders of, any license or permit authorized by this chapter shall meet the minimum requirements set forth in this chapter or those established by the ~~Appraisal~~ Appraiser Qualifications Board, whichever is greater.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code; Section 1112, Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 (FIRREA).

5. ARTICLE 3. EXPERIENCE AND EDUCATION REQUIREMENTS, Section 3541 is amended to read:

ARTICLE 3. EXPERIENCE AND EDUCATION REQUIREMENTS

~~The following section shall be in effect and operable through~~

~~December 31, 1997, only and shall thereupon expire:~~

~~3541. Minimum Experience Requirements~~

~~(a) To meet the minimum experience requirements, applicants for certified residential and certified general shall have 2,000 hours and 2 years (24 months) of real estate appraisal experience in one or more of the categories listed in Section 3542. Of the 2,000 hours,~~

~~certified general applicants must have a minimum 1,000 hours of non-residential appraisal experience in one or more of the categories listed in Section 3542.~~

~~(b) To meet the minimum experience requirements, applicants applying to be a state licensed real estate appraiser shall have 2,000 hours of real estate appraisal experience in one or more of the categories listed in Section 3542.~~

~~(c) To meet the minimum experience requirements, real estate brokers applying to be a residential licensed real estate appraiser shall have a valid California real estate brokers license and 1,000 hours of real estate appraisal experience in one or more of the categories listed in Section 3542.~~

~~(d) A minimum of fifty percent (50%) of the hours claimed to meet the experience requirements of this Section shall have been performed within the five (5) year period immediately preceding the submission of the application to the Office.~~

~~(e) A maximum of 400 hours of experience in review of appraisals may be credited towards the minimum experience hours, no more than 50% of which may consist of desk reviews. Only those reviews performed after obtaining 1,600 hours of acceptable experience in other categories may be credited towards meeting minimum experience requirements.~~

~~NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.~~

~~*The following Section shall take effect and be operable as of January 1, 1998:*~~

3541. Minimum Experience Requirements

(a) To meet the minimum experience requirements, applicants for certified general shall have a minimum of 3,000 hours of real property appraisal experience obtained continuously over a period of not less than 30 months in one or more of the categories listed in Section 3542. Of the 3,000 hours, certified general applicants must have a minimum 1,500 hours of non-residential appraisal experience in one or more of the categories listed in Section 3542.

(b) To meet the minimum experience requirements, applicants for certified residential shall have a minimum of 2,500 hours of real property appraisal experience obtained continuously over a period of not less than 30 months in one or more of the categories listed in Section 3542.

(c) To meet the minimum experience requirements, applicants applying to be a state licensed real estate appraiser shall have 2,000 hours of real estate appraisal experience obtained over a period of not less than 12 months in one or more of the categories listed in Section 3542.

(d) To meet the minimum experience requirements, real estate brokers applying to be a residential licensed real estate appraiser shall have a valid California real estate brokers license and 1,000 hours of real estate appraisal experience in one or more of the categories listed in Section 3542.

~~(e) A minimum of fifty percent (50%) of the hours claimed to meet the experience requirements of this section shall have been performed within the five (5) year period immediately preceding the submission of the application to the Office.~~

~~(f)~~ (e) A maximum of 400 hours of experience in review of appraisals may be credited towards the minimum experience hours, no more than 50% of which may consist of desk reviews. Only those reviews performed after obtaining 1,600 hours of acceptable experience in other categories may be credited towards meeting minimum experience requirements.

(f) All experience claimed must be in conformance with USPAP and completed after January 30, 1989.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

6. Section 3542 is amended to read:

3542. Acceptable Categories of Experience and Criteria for Each Category

(a) Acceptable categories of experience to meet the minimum requirements of Section 3541 and the criteria for each category are as follows:

(1) Fee and staff appraisal (a real property appraisal prepared by a person who is employed by another, usually a lending institution or government agency, or who is paid a fee for the appraisal assignments he or she performs):

(A) Shall be a written document;

(B) Shall have used the entire appraisal process;

(C) Shall have used all appraisal methods (market, cost, income) customarily used for a particular property type (i.e., residential, commercial, industrial, etc.);

(D) Shall conform to USPAP, particularly Standards Rules 1 and 2; and

(E) Analysis must be completed by the applicant.

(2) Ad valorem tax appraisal (a real estate appraisal prepared by an appraiser which estimates a value that is used for property tax purposes):

(A) Appraisal:

(1) Shall be a written document;

(2) Shall use techniques to value properties similar to those used by appraisers;

(3) Shall effectively use the appraisal process; and

(4) Shall conform to USPAP, particularly Standards Rules 1 and 2.

(B) Mass Appraisal:

(1) Shall use highest and best use analysis;

(2) Shall use model specification (developing the model);

(3) Shall use model calibration (developing adjustments to the model);

(4) Components of the mass appraisal process other than (1), (2) and (3), by themselves, shall not be granted experience credit; and

(5) Shall conform to USPAP, particularly Standard Rule 6.

(3) Review of an appraisal (field or desk):

- (A) Shall be a written document separate from the appraisal itself;
- (B) The review shall be of an appraisal prepared either by employees, associates or others;
- (C) The appraisal being reviewed shall not be signed by the reviewer;
- (D) Shall be a "technical review" where the review appraiser forms an opinion as to whether the analyses, opinions, and conclusions in the appraisal report under review are appropriate and reasonable, as opposed to an "administrative review", which is work performed by clients and users of appraisal services as a due diligence function in the context of making a business decision (e.g., underwriting, buying, selling, etc.); and
- (E) The work shall conform to USPAP, particularly Standard Rule 3.

(4) Appraisal analysis:

- (A) Shall be a written document; and
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(5) Real Estate ~~counseling~~ consulting:

- (A) Shall be a written document;
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5; and
- (C) "Real Estate ~~estate~~ Counseling consulting" incorporates those activities described in USPAP Standards Rules 4 and 5. ~~It is more than the counseling done~~

~~by a real estate broker or real estate salesperson to help a client determine list price, or how much they should offer in purchasing property.~~

(6) Highest and best use analysis:

(A) Shall be a written document; and

(B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(7) Feasibility analysis/study:

(A) Shall be a written document; and

(B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(8) Teaching of appraisal courses:

~~(A) Shall have instructed appraisal courses;~~

~~(B) Shall provide evidence from the school to verify claim of experience in this category; and~~

~~(C)~~ Teaching of appraisal courses shall not be an acceptable category of experience to meet minimum requirements after December 31, 1997.

(9) Setting forth opinions of value of real property for tax purposes:

(A) Shall be experience as an employee of a California County Assessor's Office or the California Board of Equalization in setting forth opinions of value of real property for tax purposes.

(10) Assisting in the preparation of appraisals:

(A) Shall be a written document;

(B) Shall effectively use the appraisal process performing market research, data analysis and applying the appropriate appraisal techniques. The work experience must go beyond such tasks as taking photographs, typing the appraisal report, measuring improvements, or finding sales that may or may not be used in the appraisal. At least 75% of the professional work shall have been performed by the applicant;

(C) The work shall conform to all of the applicable USPAP standards, state laws and Office of Real Estate Appraisers (OREA) regulations; and

(D) A maximum of 400 hours of assisting in the preparation of appraisals may be accepted for credit towards meeting the minimum experience requirements.

(11) Real estate valuation experience such as that of a real estate lending officer or a real estate broker:

(A) Appraisal: Same requirements as Category 1;

(B) Review of Appraisals: Same requirements as Category 3; and

(C) Consulting:

(1) Shall be a written document; and

(2) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(b) Only appraisals performed for a business purpose (e.g. loans, litigation, etc.) may be credited for purposes of meeting the minimum experience requirements except that experience gained through case studies and practicum courses that are approved by the AQB Course Approval Program may be credited for no more than 50 percent of the total experience requirement.

(c) Each applicant shall meet all additional requirements as may be established from time to time by the Appraiser Qualifications Board of The Appraisal Foundation.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

7. Section 3543 is amended to read:

3543. Minimum Basic and Continuing Education Requirements

(a) Minimum basic and continuing education requirements shall be as follows:

(1) All courses shall meet the minimum AQB requirements;

(2) Basic Real Estate Appraisal and Advanced Real Estate Appraisal courses given by real estate schools which have been approved by the California Department of Real Estate as part of the requirement for a brokers license are exempt from the accreditation requirements in (3) through (5) below;

(3) All classroom attended courses shall be taken through schools that are accredited by either:

(A) the Office; or

(B) any regional accrediting agency approved by the U.S. Department of Education;

(4) Correspondence, video, or remote television courses are acceptable at the trainee and residential license levels if they have been accredited pursuant to (a)(3) above;

(5) Distance education ~~Correspondence, video, or remote television~~ courses are acceptable at the certified level if they were:

(A) Taken at a school which has been accredited by any regional accrediting agency approved by the U.S. Department of Education, or,

(B) Reviewed and approved ~~for college credit~~ by the Office and the American Council for Education's Program on Non-Collegiate Sponsored Instruction (PONSI) International Distance Education Certification Center (IDECC) or approved through the AQB Course Approval Program. ~~and~~

~~(6)~~ (5) To receive consideration for education credit for courses not accredited by (3) through (5) above, the applicant may submit a Petition for Equivalency Credit, Form REA 3005 (Rev. 5/8/00), incorporated herein by reference, pursuant to Section 3567.

(b) In addition to (a) above, continuing education requirements shall be as follows:

(1) Continuing education requirements shall be completed after the date on which the previous license was issued;

(2) Appraisers applying for renewal of a license shall average at least 10 hours of accredited continuing education per year over the term of the license for the period up to and including December 31, 1997, and an average of at least 14 hours of accredited continuing education per year over the term of the license for the period occurring on or after January 1, 1998; and

(3) Of the required hours, a minimum of 7 hours of USPAP consisting of the 7-hour National USPAP Update Course must be completed every 4 2 years. For licenses expiring after January 1, 2004, applicants for renewal must provide documentation of completion of the seven-hour National USPAP Update Course with each renewal application. Applicants may certify that they have read and understand all applicable California and federal laws and regulations pertaining to the licensing and certification of real estate appraisers in lieu of being required to take a minimum of four hours of federal and California appraisal-related statutory and regulatory law every four years.

(c) In addition to (a) above, basic education requirements shall be as follows:

(1) Correspondence, video, CD ROM, online, or remote television courses taken for basic education must consist of at least five lesson assignments of 3 hours each to be equivalent to a 15 hour class.

(d) The Office may accept a state real estate appraiser license in good standing issued by another state or territory of the United States as satisfactory evidence of fulfillment of the minimum educational requirements of this part, provided that the state of issuance complies with the minimum standards established by the AQB.

NOTE: Authority cited: Sections 11313, 11314, 11340 and 11361, Business and Professions Code. Reference: Public Law 101-73 (FIRREA) and Sections 11340 and 11360, Business and Professions Code.

8. Section 3544 is amended to read:

3544. Credit for Teaching Appraisal Courses

(a) Instructors of appraisal courses may receive credit for up to one-half of either the basic education requirement or the ~~experience requirement~~ continuing education requirement, but not both. Teaching of appraisal courses shall not be acceptable to meet minimum experience requirements after December 31, 1997.

(b) Instructors must submit written verification of their instructor experience, which shall include: ~~the information required in Section 3563(b)(3)(A) through (H):~~

(1) Name of School;

(2) Name of Appraisal Course;

(3) Dates each course was taught;

(4) Number of hours each course was taught;

(5) Description of course content for each course taught;

(6) Certification by school official verifying the information; and

(7) Applicant's signed certification under penalty of Perjury.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

9. ARTICLE 4. APPLICATION PROCESS, Section 3563 is amended to read:

ARTICLE 4. APPLICATION PROCESS

3563. Evidence of Experience Qualifications

- (a) Documentation of work experience shall be made available to the Office by the applicant upon request.
- (b) Documentation of work experience shall include but not be limited to one or all of the following:

- (1) Log of Appraisal Experience Form REA 3004 (Rev. 5/8/00), which is incorporated herein by reference,;

- (2) Verification of ad valorem appraisal experience (Category 2) shall include certification from the appraiser's employer under penalty of perjury that the appraiser's experience was in real property appraisals.

- ~~(3) Description of appraisal teaching experience (Category 8) shall, at a minimum, contain the following information:~~

- ~~(A) Category of experience as specified in Section 3542;~~

- ~~(B) Name of school;~~

- ~~(C) Name of appraisal course;~~

~~(D) Dates each course was taught;~~

~~(E) Number of hours each course was taught;~~

~~(F) Description of course content for each course taught;~~

~~(G) Signature under penalty of perjury by an appropriate school official verifying the information; and~~

~~(H) Certification of the applicant under penalty of perjury.~~

~~(4)~~ (3) Substantiation of experience setting forth opinions of value of real property for tax purposes as an employee of a California county assessor's office or the California Board of Equalization (Category 9) shall include:

(A) Certification from the appraiser's supervisor, under penalty of perjury, that the appraiser's experience was in real property appraisals.

(B) A complete description of applicant's role in the preparation of appraisals, including, but not limited to, time period worked and types of properties.

~~(5)~~ (4) Samples of completed appraisals subject to the confidentiality provisions of USPAP. Applicants desiring return of any samples submitted to the Office shall include a written request at the time of submission, a true and correct copy of each sample submitted and a self-addressed envelope of sufficient size and with adequate postage for return of the original samples.

~~(e) A minimum of 50% of the experience submitted in satisfaction of the minimum experience requirements shall have been performed within the 5-year period immediately preceding:~~

~~(1) The submission of the application for a license to the Office; or~~

~~(2) The submission of the request for issuance of a license to the Office.~~

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code.

10. Section 3568 is amended to read:

3568. Provisional Licenses; Trainee Licenses and Supervising Appraiser Responsibilities.

~~(a) A Provisional License shall not be renewed and no Provisional License shall be issued after the effective date of these regulations.~~

~~(b) Appraisers who currently hold a valid unrestricted Provisional License in good standing may convert their license to a Trainee License.~~

~~(c)~~ (a) To obtain a Trainee License, applicants must satisfy the following minimum requirements:

(1) Education:

(A) Completion of basic education which covers the minimum number of hours and specific topics required by AQB for a residential level license and meets the minimum requirements of Section 3543; and

(B) 15 hours of USPAP which consists of the 15-hour National USPAP Course or its equivalent.

(C) All education must be completed within the five-year period immediately preceding the date the application was received by the office.

(2) Successful passage of the National Uniform Appraiser License examination or its equivalent.

~~(d)~~ (b) To accrue acceptable experience, trainee licensees must:

(1) Acquire experience pursuant to Section 3542.

(2) Work under the direct technical supervision of a licensed appraiser in good standing.

(3) Maintain an appraisal log in conformance with the requirements of Section 3563.

~~(e)~~ (c) Trainees must maintain copies of appraisal reports which appear on the log.

~~(f)~~ (d) Trainees shall comply with the continuing education requirements of Section 3543.

~~(g)~~ (e) The supervising appraiser must:

(1) Personally inspect the property with the trainee until the trainee is competent to make unsupervised inspections in accordance with the Competency Provision of USPAP for the type of property being appraised;

(2) Review the trainee's appraisal report;

(3) Accept responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP;

(4) Review and initial each page of the trainee's Log of Appraisal Experience Form REA 3004 (Rev. 5/8/00) and verify under penalty of perjury that the work was completed under his/her supervision; and

(5) Maintain records of the trainee's appraisals in accordance with USPAP.

(f) Supervising appraisers must be licensed at the certified level and be in good standing with the Office and may not supervise more than three appraisers at one time.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11341, Business and Professions Code.

11. ARTICLE 5. FEES, Section ~~3582~~ 3583 is added to read:

ARTICLE 5. FEES

~~The following section shall be operable upon the effective date of these regulations and shall remain in effect until the end of any fiscal year in which the projected balance remaining in the Real Estate Appraisers Regulation Fund at the end of that fiscal year reaches an amount equal to the amount of expenditures projected for the next succeeding fiscal year at which time this section shall expire.~~

The following section shall be in effect with the operable date of these regulations and shall be operable through June 30, 2010, and shall thereupon expire:

3583. Temporary Reduction in Issuance Fees

Issuance fees specified in section 3582(b)(2) notwithstanding, the issuance fees for new and renewal licenses shall be

(a) Trainee Level \$150

(b) Residential Level \$150

(c) Certified Levels \$200

NOTE: Authority cited: Sections 11350, 11400, 11401, 11402, 11403, 11404, 11405, 11406, 11407 and 11422, Business and Professions Code; Section 11350.6, Welfare and Institutions Code. Reference: Sections 11350, 11401, 11402, 11403, 11404, and 11406, and 11407 Business and Professions Code.

12. ARTICLE 6 CHANGE/CONVERSION PROCEDURES, Section 3603 is amended to read:

ARTICLE 6. CHANGE/CONVERSION PROCEDURES

3603. Converting a ~~Provisional or~~ Trainee License to a Full License or Higher Classification

~~Provisional or trainee~~ Trainee licensed appraisers wishing to convert to a residential license or higher classification must submit the following to the Office:

- (1) Upgrade Application REA Forms 3023 (Rev. 5/8/00) and 3001 (Rev. 5/8/00), 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004, (Rev. 5/8/00).

(2) All applicable fees as required; .

(3) If the ~~Provisional or~~ Trainee License was obtained based on education, documentation shall be submitted to verify completion of the required hours of experience in accordance with Section 3563.

(4) Notwithstanding subsections (1) and (3), the applicant shall submit such documentation as the Office deems necessary to determine whether or not the holder of the ~~provisional or~~ trainee license meets the minimum requirements for the license level to which he or she wishes to convert.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

13. ARTICLE 7. EXAMINATIONS, Section 3622 is amended to read:

ARTICLE 7. EXAMINATIONS

3622. Re-Examination

(a) Applicants who fail an examination may apply for re-examination by submitting the following:

(1) Request for Re-Examination, Form REA 3007 (Rev. 5/8/00), which is herein incorporated by reference; and

(2) All applicable fees pursuant to Section 3582 .

(b) Applicants shall not be permitted to take any subsequent examination without a scheduled time and payment of applicable fees.

(c) Applicants shall not be allowed more than 5 attempts to pass the examination in any 12-month period.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

14. ARTICLE 9. BASIC AND CONTINUING EDUCATION, Section 3668 is amended to read:

ARTICLE 9. BASIC AND CONTINUING EDUCATION

3668. Denial or Withdrawal of Education Accreditation

(a) A course shall not be accredited if the Director determines that the course or course ~~sponsor~~ provider fails to satisfy the requirements of Article 9 of these regulations.

(b) Accreditation shall be withdrawn if the Director determines that the course or course ~~sponsor~~ provider fails to satisfy or has violated the requirements of Article 9 of these regulations.

(c) The process for denial or withdrawal shall be as follows:

(1) The determination by the Director shall be submitted to the course provider in writing setting forth the reasons for the determination;

(2) Within 30 days of receipt of the Director's written determination, the course provider may submit a written request for a hearing;

(3) The Director shall hold a hearing within 90 days of receipt of the written request for a hearing unless another hearing date is agreed upon by both parties;

(4) The Director shall issue a written decision within 30 days of completion of the hearing; and

(5) If a hearing is not held pursuant to (3) above or a decision is not issued pursuant to (4) above, accreditation will be deemed to have been given by the Director.

(d) Accreditation shall automatically expire after four years or any time the course has not been offered by the course provider in two consecutive years.

(e) In any hearing, the burden of proving that the course complies with the requirements of Article 9 of these regulations is on the party seeking accreditation.

(f) No applicant shall be given credit for any course work commenced after the effective date of withdrawal of accreditation.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

15. ARTICLE 10. RENEWAL PROCEDURES, Section 3681 is amended to read:

ARTICLE 10. RENEWAL PROCEDURES

3681. Renewal Application

(a) A license may be renewed by submitting the following to the Office:

(1) Appropriate fees including state and federal registry fees pursuant to Section 3582; ~~and~~

(2) Every other renewal period, proof of completion of approved continuing education by one of the following:

- (A) Official transcript;
- (B) Report card; or
- (C) Completion certificates.

(3) Every renewal period, proof of completion of the 7-hour National USPAP Update Course;

~~(3)~~ (4) REA Form 3012 (Rev. 5/8/00) Renewal Application which is herein incorporated by reference.

(b) The renewed license shall be valid for a maximum of two years from the date of expiration of the prior license, provided the Renewal Application is received by the Office before midnight of the last day of the period for which the previous license was issued, accompanied by the applicable renewal fees and evidence of good faith compliance with the provisions of this Article.

(c) Complete applications for renewal of licenses should be submitted to the Office at least 90 days prior to the license expiration date. However, applications for renewal shall not be accepted by the Office more than 180 days prior to the expiration of the existing license.

NOTE: Authority cited: Sections 11313, 11314, 11340, 11341, 11360 and 11361, Business and Professions Code. Reference: Sections 11340, 11341, 11360 and 11361, Business and Professions Code.

16. Section 3682 is amended to read:

3682. Late Renewals

(a) If an appraiser fails to renew his or her license prior to its expiration, the appraiser may renew the license within ~~one year~~ two years after expiration of the previously held license by satisfying all of the requirements for renewal of the license and by the payment of all applicable fees.

(b) Appraisals in federally related transactions may not be performed during the ~~one year~~ two year grace period immediately following the date the appraiser's license expires, unless and until a renewed license is issued.

(c) An appraiser applying for late renewal shall, prior to the submission of his or her application for late renewal, complete at least 10 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring up to and including December 31, 1997, and at least 14 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring on or after January 1, 1998, in addition to meeting the requirements of Section 3543.

(d) Any person whose license expires and does not renew within ~~one year~~ two years of the date of expiration, must submit the following:

- (1) A new application;
- (2) Proof of compliance with the requirements for new applicants in existence at the time of the new application; and
- (3) All applicable fees.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Sections 11341 and 11360, Business and Professions Code.

17. ARTICLE 14. PERSONAL INFORMATION, Section 3761 is amended to read:

ARTICLE 14. PERSONAL INFORMATION

3761. Personal Information, Access

(a) Unless otherwise exempted by law, every person or his or her designated representative upon reasonable notice, identification and payment of copy fees shall have the following rights to inspect Office records containing personal information about himself or herself:

- (1) To know if the OREA maintains any record about him or her;
- (2) To inspect and to obtain a readable copy of such record if it exists;
- (3) To request correction or amendment of such record if it is inaccurate or incomplete;
- (4) To know if such record has been disclosed to any other person or agency, and the times and conditions of such disclosure;

(5) To be heard by the Director if any of these rights are abridged or denied;

(6) If the Director denies a request for correction or amendment of a personal record, to receive a concise statement of the reasons for the Director's denial, and to file a statement of reasonable length setting forth the reasons for the disagreement; and to have copies of such reasons and statement of disagreement made available by OREA to any persons or agency to whom the disputed record has been or is disclosed.

(b) All personal records about persons regulated by the Office are maintained at its office.

Requests for access to such records should be addressed as follows:

Office of Real Estate Appraisers

~~1755 Creekside Oaks Drive, Suite 190~~

1102 Q Street, Suite 4100

Sacramento, CA ~~95833~~ 95814

(916) ~~263-0722~~ 552-9000

(c) The rights specified in (a)(1) through (6) are not exclusive, and do not foreclose rights which may be available under other provisions of law.

(d) Inquiries relating to whether or not licenses are current and in good standing are excluded from the requirement contained in (a)(4) above.

NOTE: Authority cited: Sections 11313 and 11314 Business and Professions Code.

Reference: Section 1798.30, Civil Code.

18. ARTICLE 15. OFFICE OF REAL ESTATE APPRAISERS

CONFLICT OF INTEREST CODE

It having been found, pursuant to Government Code section 11344, that the printing of regulations constituting the Conflict of Interest Code is impractical and these regulations being of limited and particular application are not published in full in the California Code of Regulations. The Regulations are available to the public for review or purchase at cost at the following locations:

Office of Real Estate Appraisers

1755 Creekside Oaks Drive, Suite 190

Q St., Suite 41001102

Sacramento, CA 95833 ~~95814~~

Fair Political Practices Commission

1100 "K" Street

Sacramento, CA 95814

Archives

Secretary of State

1020 "O" Street

Sacramento, CA 95814

The conflict of interest code is designate as article 15 of chapter 6.5 of title 10 of the California Code of Regulations, and consists of sections numbered and titled as follows:

Article 15. Office of Real Estate Appraisers--Conflict of Interest Code

Section

3780. General Provisions

Appendix A

Appendix B

NOTE: Authority cited: Section 87300, Government Code. Reference: Sections 87300-87302 and 87306, Government Code.